

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



August 5, 1991

ALL COUNTY LETTER NO. 91-75

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: SALLIS COURT ORDER AND IMPLEMENTATION METHODOLOGY

REFERENCES: ALL COUNTY LETTER NO 91-14, 91-18, MPP 44-111.2 AND 44-113.2

On January 30, 1991, the Superior Court for the County of Sacramento approved the final order for the Sallis v. McMahon Court Case. The prospective portion of this lawsuit was implemented statewide on April 1, 1991 with ACLs No. 91-14 (dated 2/6/91) and 91-18 (dated 2/22/91). In accordance with the Sallis settlement the retroactive portion of the lawsuit will be implemented effective October 1, 1991. In order to ensure a uniform statewide claim period Counties must not implement the retroactive portion of the Sallis lawsuit before October 1, 1991.

The purpose of this ACL is to implement the retroactive portion of the Sallis Order. Sallis class members are those AFDC recipients and their families who received State Disability Insurance (SDI) benefits and were denied earned income disregards available in the AFDC program. The retroactive period covered by the Sallis Court Order is June 1, 1987 through March 31, 1991.

The State Department of Social Services will provide the Counties with a listing of AFDC recipients who received SDI benefits while on aid. This listing will be for the period August 1989 through March 31, 1991. The listing will be mailed out no later than September 1, 1991 and will provide the Counties an unduplicated list of potentially eligible class members broken out by:

- a. Case Number
- b. County where the client was on aid
- c. District, if applicable
- d. Worker

This listing will not identify those potential claimants whose eligibility for benefits is dependent on a period between June 1, 1987 and July 31, 1989. To notify individuals not on the State produced listing, Counties will be furnished posters in English and Spanish for display in Food Stamp outlets and County Welfare Departments. These posters will be displayed during the claim period and will be sent to the Counties on or before September 1, 1991. Translated versions of the Informing/ Claim Form (Temp 1800) other than the Spanish version, the Notices of Action (50-020 AT through DT) will also be sent to the Counties before September 1, 1991. If the Counties received a copy of the Temp 1800 claim form in a one of the five standard languages which told potential claimants that a claim form must be returned before October 31, 1991 the Claim form must be disregarded.

Attached are the following materials:

- o A Copy of the Draft Emergency Regulations (10/1/91 effective date)
- o Reproducible Copies in English and Spanish of the Informing/Claim Form (Temp 1800)
- o Reproducible Copies of the Notices of Action in English
- o Statistical Reporting Forms (Temp 1172)

The Sallis retroactive implementing regulations will be filed on or before September 21, 1991 and will have an effective date of no later than October 1, 1991. Counties should use the attached draft regulations to plan and prepare for the October 1, 1991 implementation date of the regulations. Counties will receive an adopted copy of the Sallis retroactive regulations approved by the State Office of Administrative Law as soon as they are available.

Food Stamps

For Food Stamp Program purposes, any retroactive AFDC payments made to Food Stamp households pursuant to this court case, will be considered non-recurring lump sum payments and as such will be excluded from income (MPP 63-502.2 (j)). However, these AFDC payments will be counted as a resource in the month received in accordance with MPP 63-501.111. If you have any questions about the impact of these AFDC payments on the Food Stamp program, please call Ms. Mary Clark at (916) 324-2015 or ATSS 8-454-2015.

Overpayments

Retroactive benefits due and owing must be offset against any outstanding overpayments as required by MPP 44-340.42 which states "When an assistance unit has both an underpayment and an overpayment, the County shall balance one against the other before making a retroactive corrective payment". For clients no longer on assistance, the County must still offset the retroactive payment against any outstanding overpayment. Before issuing any retroactive payments, Counties must review each case to confirm that class members do not have any existing overpayment(s).

Fiscal Claiming

Sallis corrective underpayments are benefits eligible for Federal Financial participation. Normal Claiming procedures apply for these payments and the standard sharing ratios will be used.

Claims Process

Claimants identified by the State who are currently on AFDC will have their retroactive benefits calculated and paid if appropriate without the submission of a claim form and if possible without requiring the claimant to come in person to the Welfare office.

Potential claimants identified by the State not currently on AFDC must submit an Informing/Claim form (Temp 1800). Counties will be responsible for transmitting Informing/Claim form(s) to these potential claimants. Potential Claimants who self-identify from the posters or other means will also be provided Informing/Claim forms by the Counties.

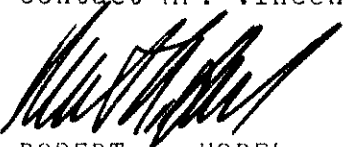
If a claimant is denied earned income disregards due to the late receipt of a CA 7, the claimant may claim good cause for returning the CA 7 late. Any claim for good cause for a late CA 7 will be evaluated using the criteria in EAS 41-181.23.

Statistical Reports

A copy of the Sallis retroactive report form (1172) is attached. The report is due no later than May 30, 1992, and is limited to:

- a. Number of Claims received
- b. Number of Cases paid
- c. Number of Claims denied
- d. Total amount of benefits paid

If you have any questions or need any assistance regarding the retroactive provisions of the Sallis Court order or the attached materials, please contact Mr. Vincent Toolan at (916) 324-2007 or (ATSS) 8-454-2007.



ROBERT A. HOREL
Deputy Director

cc: CWDA

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

Questions? Ask your Worker.

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

The County needs more facts on your Sallis vs. McMahon claim dated _____.

Fill in the circled parts of the attached claim form.

Send or bring the completed form by _____.
If we don't have it by this date, your claim will be denied.

Rules: These rules apply; you may review them at your welfare office: MPP 50-020, Sallis v. McMahon

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date _____
Case Name _____
Number _____
Worker Name _____
Number _____
Telephone _____
Address _____

(ADDRESSEE)

Questions? Ask your Worker.

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

As of _____, the County has approved your back cash aid for \$_____.

Here's why:

You got cash aid the same time you got State Disability Insurance Benefits. A court order says that State Disability benefits you received should have been counted as earned income which means you can get disregards. This means you get more back cash aid.

Your back cash aid is figured on this notice.

☐ A check will be sent soon.

☐ A check is enclosed.

If you are on cash aid this check will not be counted as income.

If you get Food Stamps we will count it as a resource.

☐ You will get another notice from Food Stamps.

Monthly Back Cash Aid Amount

Your Countable Income in	(MONTH/YEAR)
Total Earned Income	\$ _____
Work Expense Disregard	- _____
\$30 Disregard	- _____
\$30 and 1/3 Disregard	- _____
Dependent Care Disregard	- _____
Other Countable Income (list sources)	- _____
_____	+ _____
_____	+ _____
_____	+ _____
Court Ordered Support Paid	- _____
Net Countable Income	= _____

Your Cash Aid In	(MONTH/YEAR)
Basic Aid for _____ Persons	\$ _____
Special Needs	+ _____
Subtotal	= _____
Net Countable Income	- _____
Cash Aid Subtotal	\$ _____
Overpayment adjustment (separate page)	- _____
Monthly Cash Aid Amount you should have got	\$ _____
Monthly Cash Aid Amount you got	- _____
Back Cash Aid Amount	\$ _____

Rules: These rules apply; you may review them at your welfare office: MPP 50-020, Sallis v. McMahon

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

Questions? Ask your Worker.

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

We have denied your claim for back cash aid for the month of _____ dated _____.

Here's why:

Between June 1, 1987 and April 1, 1991

- ☐ You were not eligible for cash aid.
- ☐ You did not receive State Disability benefits.
- ☐ You did not turn in your CA-7 on time in the month you claimed. If you had good reason to turn it in late, tell the County.

- ☐ You did not give us your claim by November 30, 1991
- ☐ You did not return a complete claim form by _____

You did not apply for cash aid from this County.

The claim must go to the County where you applied for and got cash aid between June 1, 1987 and March 31, 1991.

- ☐ You must send your claim to the right County by _____
- ☐ We have sent your claim to _____ County. You will get another notice from them.
- ☐ Other:

Rules: These rules apply; you may review them at your welfare office: MPP 50-020, Sallis v. McMahon

NOTICE OF ACTION

(Continued)

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date: _____

Case Name: _____

Number: _____

Monthly Back Cash Aid Amount

Your Countable Income in	(MONTH/YEAR)
Total Earned Income	\$ _____
Work Expense Disregard	- _____
\$30 Disregard	- _____
\$30 and 1/3 Disregard	- _____
Dependent Care Disregard	- _____
Other Countable Income (list sources)	_____
	+
	+
	+
Court Ordered Support Paid	- _____
Net Countable Income	= _____

Your Cash Aid In	(MONTH/YEAR)
Basic Aid for _____ Persons	\$ _____
Special Needs	+ _____
Subtotal	= _____
Net Countable Income	- _____
Cash Aid Subtotal	\$ _____
Overpayment adjustment (separate page)	- _____
Monthly Cash Aid Amount you should have got	\$ _____
Monthly Cash Aid Amount you got	- _____
Back Cash Aid Amount	\$ _____

Your Countable Income in	(MONTH/YEAR)
Total Earned Income	\$ _____
Work Expense Disregard	- _____
\$30 Disregard	- _____
\$30 and 1/3 Disregard	- _____
Dependent Care Disregard	- _____
Other Countable Income (list sources)	_____
	+
	+
	+
Court Ordered Support Paid	- _____
Net Countable Income	= _____

Your Cash Aid In	(MONTH/YEAR)
Basic Aid for _____ Persons	\$ _____
Special Needs	+ _____
Subtotal	= _____
Net Countable Income	- _____
Cash Aid Subtotal	\$ _____
Overpayment adjustment (separate page)	- _____
Monthly Cash Aid Amount you should have got	\$ _____
Monthly Cash Aid Amount you got	- _____
Back Cash Aid Amount	\$ _____

Rules: These rules apply; you may review them at your welfare
office: MPP 50-020, Sallis v. McMahon

STATISTICAL REPORT

SEND ONE COPY TO:

Department of Social Services
Statistical Services Bureau
744 P Street, M.S. 19-81
Sacramento, CA 95814
(916) 322-2230

Sallis vs. McMahon

NAME OF COUNTY SUBMITTING REPORT

THIS REPORT IS DUE ON OR BEFORE:

May 31, 1992

THIS REPORT IS

☐

ORIGINAL SUBMISSION

☐SUBSEQUENT REPORT
NO. _____☐

REVISION NO. _____

REPORTING PERIOD**FROM: October 1, 1991****TO: December 31, 1991**

1. Total number of claims received.....

2. Total number of claims denied.....

3. Total number of cases paid.....
(Includes cases in which a claim was made or a claim was not required)

4. Total amount of benefits paid.....

 \$

PERSON TO CONTACT REGARDING THIS REPORT

TELEPHONE NUMBER

DATE

SALLIS vs MCMAHON CLAIM FORM

Welfare May Owe You Money

At anytime between June 1, 1987 and March 31, 1991:

YES NO

- ☐ ☐ Did you get cash aid?
- ☐ ☐ Did you get State Disability (SDI) payments at the same time?

If you said Yes to both questions, Welfare may owe you money.

To find out, ask the County.

You must send us a claim by November 30, 1991.
If your claim is late it will be denied.

Si quiere una traducción de esta forma, pídasela al condado.

Nếu quý vị muốn có một bản dịch của mẫu này, hãy hỏi xin nơi ty xã hội.
បើសិនជាលោកអ្នកចង់បានសេចក្តីបកប្រែនៃសំណាកនេះ សូមស្នើសុំពីភ្នាក់ងារ
វិទ្យាសាស្ត្រការងារសាងសង់សេវាសង្គមស្រីស្រី, រដ្ឋកាលីហ្វ័រនីយ៉ា
假如你需要這份表格的譯文的話, 可以同郡政府詢問。

Name _____

Name when you got AFDC _____

Date of Birth _____ / _____ / _____

Social Security Number _____ - _____ - _____

FILL OUT AS MANY SPACES AS YOU CAN

Telephone Number () _____

Current Address Number/Street _____ / _____

City/State/Zip Code _____ / _____ / _____

County where you got AFDC _____

District office(s) (if known) where you got AFDC _____

About when did you get AFDC and SDI

_____ 19 _____
_____ 19 _____
_____ 19 _____

You must give us your Social Security Number. We cannot approve your claim without it. We will use your number to get facts from other public agencies.

SOCIAL SECURITY ACT, SECTION 402(a)(25)

I declare under penalty of perjury under the laws of the United States of America and the State of California that to the best of my knowledge the facts in this report are true, correct and complete.

SIGNATURE

DATE

1) Adopt Section 50-020 to read:

50-020 SALLIS V. MCMAHON RETROACTIVE COURT CASE

50-020

HANDBOOK BEGINS HERE

.1 Background

The Sallis v. McMahon lawsuit challenged the State Department of Social Services' (SDSS') policy of denying earned income disregards available in the Aid To Families with Dependent Children (AFDC) Program to recipients of State Disability Insurance (SDI) benefits. On January 30, 1991, the Final Order settling the lawsuit was entered in Sacramento County Superior Court. Under the terms of the order, SDSS and county welfare departments (CWDs) must inform potential claimants about possible retroactive benefits. The provisions of the order that involve retroactivity are set forth in these regulations.

HANDBOOK ENDS HERE

.2 Definitions

For the purposes of these regulations:

.21 Class Members

"Class Members" means those individuals who:

.211 AFDC

Were granted AFDC between June 1, 1987 and March 31, 1991; and

.212 SDI

Received State Disability Insurance Benefits; and

.213 Disregards

Were denied earned income disregards available in the AFDC Program (MPP Sections 44-111.2 and 44-113.2).

.22 Temp 1800

"Temp 1800" means the Informing/Claim Form [Temp 1800 (Rev. 7/91)] which is the form which potential claimants use to file a claim for retroactive benefits.

.221 Languages

The Temp 1800 shall be printed in English and the five standard languages.

.23 NOA

"NOA" means a Notice of Action (NOA) be adequate in accordance with Section 22-001a. A claimant shall be "informed" of the outcome of a claim when the claimant is provided a NOA.

.24 Five Standard Languages

"Five Standard Languages" means Spanish, Vietnamese, Lao, Chinese and Cambodian.

.25 Responsible County

"Responsible County" means the county welfare department which calculated a claimant's AFDC payments without allowing earned income disregards for SDI benefits.

.26 Retroactive Period

"Retroactive Period" means the period of time between June 1, 1987 and March 31, 1991.

.27 ABCDM 228

"ABCDM 228" means the Release of Information form [ABCDM 228 (Rev. 10/78)] which is used to obtain documentation when the claimant does not have the necessary information or is unable to provide such information.

.28 Temp 1172

"Temp 1172" means the Statistical Report [Temp 1172 (Rev. 3/91)] which gathers data concerning cases which claim SDI work related deductions.

.3 Informing of Possible Retroactive Benefits

The county shall:

.31 County Offices

Post the Temp 1799 (Rev. 7/91) in English and Spanish in conspicuous locations in all county offices from October 1, 1991 through November 30, 1991.

HANDBOOK BEGINS HERE

.311 Temp 1799

Reproducible copies of the Temp 1799 shall be provided to the county no later than September 23, 1991 by SDSS in English and Spanish with referrals for translations in Vietnamese, Laotian, Chinese and Cambodian.

(a) English/
Spanish

The English and Spanish entries of the Temp 1799 inform potential claimants and the general public about possible retroactive benefits.

(b) Referral
for Other
Languages

The referrals for translations on the Temp 1799 states (as translated):

"Welfare may owe you money. You may contact the Welfare Department for a translation of this notice."

HANDBOOK ENDS HERE

.32 Food Stamp Issuance Outlet

Forward a supply of Temp 1799 in English and Spanish to all Food Stamp issuance outlets within the county with instructions that the posters be displayed in conspicuous locations from October 1, 1991 through November 30, 1991.

.33 Claim Forms

The county shall:

.331 Past AFDC Recipient

Mail a Temp 1800 to the last known address of potential claimants provided by SDSS who are not currently receiving AFDC, but received aid from July 1, 1989 through March 31, 1991.

- .332 Others On Request Provide or mail a Temp 1800 upon request to any person.
- .4 Claims for Retroactive Benefits
- .41 Claimant Responsibility Those claimants who are not currently on AFDC or who self-identify shall:
- .411 File Claim Complete and sign under penalty of perjury the Temp 1800.
- .412 Deadline Submit the Temp 1800 to the local county office or to the responsible county no later than November 30, 1991.
- (a) Resubmit The claimant shall be permitted to resubmit a previously denied claim during the period October 1, 1991 through November 30, 1991.
- (b) Date Submitted The date of the original submission shall be the date of the claim when the original Temp 1800 is submitted within the period, but is returned for additional information or forwarded to another county.
- .42 Current Recipient's Responsibility A recipient who is currently receiving AFDC shall not not be required to submit a Temp 1800. The county shall compute the retroactive benefits using the case record information. The recipient shall provide information to the county only when necessary to complete the computation for retroactive benefits.
- .43 County Responsibilities The county shall:
- .431 Date Received Stamp each Temp 1800 with the date received and retain all envelopes that were postmarked after November 30, 1991.
- .432 Maintain Record Maintain all documents until the end of the claim period for each case where a claim is filed.
- .433 Case Location Attempt to locate a case record.
- .434 Responsible County Determine which county is the responsible county.
- (a) Deny/Transfer Claim The county shall deny the claim and send the claimant the appropriate NOA when the receiving county determines that it is not the responsible county.

(1) The date of claim shall be the date the claim is initially received by the first county.

(2) The receiving county shall send the responsible county the Temp 1800, any supporting documentation and a copy of the NOA sent to the claimant within 30 calendar days.

(b) More Than The first claim shall be processed and any subsequent
One Claim claim denied when more than one claim is made for a
 specific instance of eligibility for retroactive
 benefits.

(c) Cannot The county shall deny the claim when the responsible
Determine county cannot be determined.

(d) Process The receiving county shall process the claim when it
Claim is the responsible county.

.5 Claims Processing

.51 State Identified The county shall determine whether the claimant is a
Claimant class member and take appropriate action by
 November 30, 1991 for those potential claimants
 identified on the state listing who are currently
 receiving AFDC.

.52 County Time Limit The county shall take appropriate action within 60
 days of receipt of a completed claim form (Temp 1800)
 for those claimants required to submit a Temp 1800.

.53 Completeness of Claim The county shall review each Temp 1800 received for
 completeness.

.531 Mandatory The Temp 1800 shall be considered complete when the
Information claimant has provided the following information:

(a) SSN Claimant's Social Security Number (SSN).

(b) Case Name Case(s) name during the retroactive period.

(3) Birth Date Claimant's date of birth.

(4) Signature Claimant's signature.

.532 Optional The claimant shall provide the following information
Information on the Temp 1800 to the extent possible:

(a) County Any counties of residence during the retroactive
 period.

	<u>(b) Date of SDI</u>	<u>The approximate date (s) of receipt of the State Disability Insurance (SDI) benefits.</u>
	<u>(c) Telephone</u>	<u>Claimant's telephone number.</u>
	<u>(d) District Office</u>	<u>District office where the claimant received AFDC during the retroactive period.</u>
	<u>(e) Address</u>	<u>Claimant's current address.</u>
<u>.53</u>	<u>Verify Information</u>	<u>The county shall compare information on the claim form to information in the case record when a Temp 1800 has been submitted.</u>
<u>.531</u>	<u>Conflicting Information</u>	<u>The county shall use the information in the case record when information the claimant has provided on the Temp 1800 conflicts with the information contained in the case record.</u>
<u>.532</u>	<u>Unavailable Case Record</u>	<u>The county shall use the information provided by the claimant on the Temp 1800 when the case record information is not available or is insufficient.</u>
<u>.54</u>	<u>Inconsistent/Lacking Information</u>	<u>The county shall request further information or clarification when the county lacks essential information. The county shall also request additional information or clarification when the information is internally inconsistent on a Temp 1800.</u>
<u>.541</u>	<u>Interview</u>	<u>The county shall complete claim processing without requiring claimants to come in person to the local or responsible county office to the extent possible.</u>
<u>.542</u>	<u>Supporting Information</u>	<u>The county shall request that the claimant supply documentation when necessary in support of the claim if such documentation is in the claimant's possession.</u>
	<u>(a) Time Limit</u>	<u>The claimant shall have 30 days from the date the county requests omitted information to return the completed Temp 1800. The county shall notify the claimant with an appropriate NOA to request additional necessary information.</u>
	<u>(b) Release of Information</u>	<u>The county shall request that the claimant sign a ABCDM 228 (Rev. 10/78) or the county equivalent form to allow the county to obtain documentation on behalf of the claimant when the claimant does not have the information.</u>

- (c) Failure to Provide Information The county shall deny the claim on the appropriate NOA when the claimant fails to provide documentation in his/her possession or sign the ABDCM 228.
- .55 County Processing Time The county shall have an additional 30 days from receipt of the returned information to process the claim when the county requests additional information from the claimant.
- .56 Deny Claim The county shall deny the claim and send a NOA to the claimant when:
- .561 Not Class Member The county determines that the claimant is not making a claim for a class member.
- .562 No AFDC No record that the claimant applied for or received AFDC during the retroactive period can be found.
- .563 Past Time Limit The original Temp 1800 is submitted but is not received or postmarked within the period October 1, 1991 through November 30, 1991.
- .6 Computation of Retroactive Benefits
- .61 Earned Income Disregard The county shall recompute the aid payment for any eligible month during the retroactive period by deducting the appropriate earned income disregards from the SDI income.
- .611 No Interest No interest shall be paid on the retroactive benefits.
- .62 Not Income/Property Retroactive benefits shall not be considered as income or property as a condition of eligibility in AFDC or the Food Stamp Program to the extent permitted by federal law and regulations.
- .63 Offset Overpayments The county shall offset any outstanding recoupable overpayments with retroactive benefits due and owing.
- .64 Issue Payment The county shall issue payments when eligibility has been determined for the retroactive benefits.
- .7 Statistical Reporting
- .71 Deadline for Report The CWDs shall submit a Temp 1172 (Rev. 3/91) no later than May 31, 1992, indicating the:

<u>.711</u>	<u>Claims Received</u>	<u>The number of claims received by the CWD.</u>
<u>.712</u>	<u>Cases Paid</u>	<u>The number of cases paid by the CWD.</u>
<u>.713</u>	<u>Claims Denied</u>	<u>The number of claims denied by the CWD.</u>
<u>.714</u>	<u>Benefits Paid</u>	<u>The total amount of benefits paid.</u>

Authority Cited:

Reference: